INFRASTRUCTURE SPOTLIGHT: CANADA'S SMALL AND RURAL COMMUNITIES

Millions of Canadians live and work in small and rural communities. With economies often driven by natural resources and local industries, such as tourism and unique manufacturing, these communities are key contributors to Canada's overall economic strength on the world stage.

Rural Canada is resource rich and accounts for over 95 percent of Canada's land mass.[1] Agriculture, forestry, fishing, mining, energy and related businesses account for over 60 percent of national exports[2] and provide the energy, food and raw materials to fuel our larger cities and the growth of our Canadian economy.

While about half of Canadians live in our 50 most populated municipalities, the remaining half reside in one of the country's more than 5,000 smaller communities, with populations of less than 100,000 each.[3] This also includes over 6 million Canadians who live in rural and remote communities of 10,000 inhabitants or less.

Sound public infrastructure in smaller, rural communities is essential to ensuring that all citizens enjoy a high quality of life and can compete economically both within Canada and around the world. Public infrastructure creates and maintains jobs, and enhances the beauty and prosperity of local communities. Recognizing this, small communities across the country, often in partnership with the Government of Canada and provincial and territorial governments, have been actively investing in modern public infrastructure in recent years. These investments are generating lasting results and are making a difference in the daily lives of Canadians.

[1] Government of Canada, Community Information Database, "Rural Facts", http://www.cid-bdc.ca/rural-facts. (Retrieved on March 12, 2012).

[2] *Ibid.* (Based on Industry Canada's Trade Data, 2011.)

[3] Statistics Canada, 2012, "Population and dwelling counts, for Canada and census subdivisions (municipalities), 2011 and 2006 censuses".

Improving water services, Marystown, Newfoundland and Labrador

(photos courtesy of the Town of Marystown)

Investments in drinking water infrastructure help communities facing pressures surrounding water management, supply and quality. Thanks to federal, provincial and municipal investments, a progressive new water treatment plant has been constructed in Marystown, a community of about 5,500 people on Newfoundland's Burin Peninsula.

This project includes the design and construction of a water treatment plant that uses the latest innovative technology to significantly enhance water quality. Housed in a new building, this system will provide safe, reliable drinking water to the town's residents, as well as business, industry, medical, educational and institutional facilities in the community. The project also includes a water storage tank with an increased capacity, and it will ensure that the treated water quality will meet all Canadian Drinking Water Quality Guidelines.

The Government of Canada supported this $12.6 million project with a $4 million contribution under the Communities Component of the Building Canada Fund.

Supporting the infrastructure needs of small communities

Residents of smaller communities expect their public infrastructure to provide the same benefits as in larger Canadian centres, such as safe and efficient roads and bridges, clean water and community facilities.

Providing modern, public infrastructure in communities with smaller and more dispersed populations, and sometimes limited financial resources, can be especially challenging. To succeed, innovative and tailored infrastructure solutions are necessary, developed by local leaders and supported through collaboration among all orders of government.

The Building Canada Plan provides great flexibility to smaller communities to address their unique infrastructure needs. The range of eligible categories of investment is very broad, in order to respond to the variety of pressures faced by communities, both large and small. Communities can choose to direct federal infrastructure funding to a wide range of assets, including for example local roads, water and wastewater systems, and cultural and recreational facilities. In addition, within each category, there is additional flexibility to address the particular needs of smaller communities. For example:

- under the public transit category, while larger communities may choose to focus federal funding on rail rapid transit projects, smaller communities could choose to prioritize investments in their bus services; and,
- under the wastewater category, larger communities may use federal funding towards the construction of a major new treatment facility, while a smaller community could decide to

construct or expand lagoon treatment or even construct a wastewater collection system to connect households that are on private septic systems.

In addition, the federal government streamlined federal approval processes through Canada's Economic Action Plan to reduce the administrative burden on project proponents, measures that had particular significance for smaller communities. The government made changes to the federal regulatory framework to drive efficiencies in assessing infrastructure projects. These changes lessened the administrative burden on project proponents and shortened the time needed to provide federal approvals for major projects, allowing construction to begin more quickly. Key changes included:

- the federal review and due diligence process for projects under the Building Canada Fund was simplified and streamlined in order to reduce the number of mandatory conditions and requirements placed on potential proponents, and instead focus on key federal accountabilities;
- amendments were made to the *Navigable Waters Protection Act*, reflecting the June 2008 recommendations of a parliamentary standing committee that carried out an exhaustive review of the Act;
- under the *Canadian Environmental Assessment Act*, new regulations were put in place to enable federal environmental assessment processes to be replaced by a single provincial assessment that includes the federal requirements set out in the regulations; and,
- the government also implemented administrative changes to streamline the application of the *Fisheries Act*.

Queens Place Recreation and Community Centre, Nova Scotia

This new centre offers sport, recreation and leisure facilities accessible to people of all ages and socio-economic backgrounds of Queens Regional Municipality, Nova Scotia. Queens includes seven individual communities with a total of just over 11,000 residents: Liverpool, County of Queens, Port Joli, Port Mouton, Caledonia, Milton, and Brooklyn. The Government of Canada supported this project with a $6.5 million contribution under the Major Infrastructure Component of the Building Canada Fund.

Federal funding is also being directed toward larger connective infrastructure projects, in the areas of transportation and telecommunications. Developing regional transportation and broadband networks helps connect remote and rural communities to nearby economic centres as well as to the rest of Canada and the world. This critical support provides opportunities for economic and social development in these communities.

Eastern Ontario Regional Network: Broadband project providing new economic opportunities to rural communities

More than 8,000 residents and businesses in the United Counties of Prescott & Russell now have access to wireless high-speed Internet. The Embrun Zone was the first of 15 areas to receive high-speed Internet access through the Eastern Ontario Regional Network, Ontario's largest rural broadband project. This project is helping strengthen the economy and create jobs. High-speed internet service is vital for businesses and people in rural regions. Access to these services helps rural businesses thrive and puts them on a level playing field with urban businesses.

This $170 million initiative is supported through federal, provincial and local governments, together with the private sector. The Government of Canada is contributing $55 million through the Building Canada Fund – Major Infrastructure Component.

Area covered by the Eastern Ontario Regional Network broadband project (map courtesy of the Eastern Ontario Regional Network)

"The Eastern Ontario Regional Network is a massive undertaking that will improve access to high speed broadband for over one million residents of rural Eastern Ontario. The project is on track for successful completion by March 31, 2014. At that time, improved access to higher internet speeds and better pricing will open up the area for new business opportunities and fully connect Eastern Ontario to the rest of Canada and the world."

– Warden Mel Campbell, Chair, Eastern Ontario Wardens' Caucus

Important north-south corridor enhances safety and supports a strong economy, Clearwater County, Alberta

A newly paved 48-kilometre road in Clearwater County is providing safer and more efficient travel for local residents as well as the oil, gas, forestry and tourism sectors. The project has helped to create jobs and ensure the future growth of this community. The road provides an integral north-south road linkage for industry, tourism and the travelling public, and is a very important link between Highways 11 and 16. The Government of Canada supported this project with a $4.4 million contribution under the Infrastructure Stimulus Fund.

Since 2007, through initiatives such as the Building Canada Plan and Canada's Economic Action Plan, the Government of Canada has supported the infrastructure needs of small communities across the country, with investments of over $5.3 billion towards more than 4,000 projects located within small municipalities and communities.[4] In addition, through the $2 billion-annually Gas Tax Fund, the Government of Canada delivers stable, flexible infrastructure funding in all of Canada's communities, large and small.

Focus on Small Communities: The Heart of a Nation

The **Communities Component** of the **Building Canada Fund** exclusively funds projects in communities with populations of less than 100,000. Recognizing the unique infrastructure needs of Canada's smaller communities, this fund focuses on projects that meet environmental, economic and quality of life objectives.

Initially rolled out as a $1 billion fund, Canada's Economic Action Plan expanded the Communities Component fund with a top-up of $500 million. This program alone has funded more than 1,400 smaller-scale projects that improve water, wastewater, public transit, local roads and other types of community infrastructure.

[4] This amount includes funding under the Building Canada Fund (Major Infrastructure Component and Communities Component), the Infrastructure Stimulus Fund and the Green Infrastructure Fund provided to municipalities with less than 100,000 inhabitants.

For Canadians living in small and rural communities, funding support to local infrastructure projects helps to sustain both competitiveness and quality of life. Efficient transportation networks help people get where they need to go quickly and safely, and help local businesses get their products to market. Modern water treatment plants mean that citizens can trust that the water they use every day is clean. Community and recreation centres provide a place where residents can gather, exercise and connect with each other.

Vital safety and capacity upgrades, Maidstone, Saskatchewan

A road in poor condition can have a real impact on the safety of motorists and on the economy of an entire region. Recognizing this, the Rural Municipality of Eldon, located at the junction of two major highways in western Saskatchewan, rebuilt a stretch of Township Road 490 in Maidstone.

Heavy vehicles serving the oil and gas, agricultural, and oil field service industries frequently used Township Road 490, which had not been built with today's heavy equipment in mind.

Today, the improved roadbed increases safety for everyone using Road 490. Product transportation times have been reduced and a vital link for encouraging further mineral resource development in the region has been strengthened. The Government of Canada supported this project with an investment of over $250,000 from the Communities Component of the Building Canada Fund.

Unique needs of remote communities in the North

Through Canada's Northern Strategy: *Our North, Our Heritage, Our Future*[5], released in 2009, the Government of Canada supports a vision of a new North that realizes its full social and economic potential and secures its future, for the benefit of all Canadians. The Northern Strategy, like Building Canada, emphasises the role of infrastructure in promoting a stronger economy, cleaner environment, and safer and stronger communities.

Many factors affect infrastructure development in northern communities, such as low population and a limited tax base, remote locations and limited accessibility, labour shortages, a harsh climate and a shorter construction season. As such, closing the gap in core public infrastructure between northern communities and communities in southern Canada represents a significant challenge for the federal, territorial and municipal governments in Northern Canada.

The Government of Canada has taken action to address this challenge. In addition to targeted infrastructure project investments made under programs such as the Building Canada Fund, it has delivered flexible infrastructure funding to the three territories through programs like the Provincial-Territorial Base Fund and the Gas Tax Fund. Furthermore, the North receives funding under these programs as a fixed amount instead of an allocation based on population. This simple but important difference means that less populated jurisdictions receive sufficient funds for significant infrastructure investments.

[5] http://www.northernstrategy.gc.ca/

Between 2007 and 2014, under the Provincial-Territorial Base Fund, each of the territories will receive over $180 million in federal funding in support of their core infrastructure priorities. To access funding, territories must submit a capital plan containing a list of initiatives for federal cost-sharing - which can go up to 75 percent of eligible costs for territories, while it is limited 50 percent for provinces.

Since the Gas Tax Fund began, Yukon, the Northwest Territories and Nunavut have received $52.5 million each from the Gas Tax Fund for municipal infrastructure that contributes to cleaner air, cleaner water and reduced greenhouse gas emissions. Through legislation passed in 2011, the Gas Tax Fund became a permanent source of federal infrastructure support for Canadian municipalities. This ongoing funding will support local infrastructure priorities for the benefit of Canadians for years to come.

Providing clean, accessible drinking water, Marsh Lake, Yukon

A water treatment plant at Army Beach on Marsh Lake, a small community of approximately 500 people located 45 kilometres south of Whitehorse, is providing local residents with an accessible source of fresh, clean drinking water. This project has resulted in a state-of-the-art facility that uses cutting-edge water treatment technology proven effective in northern climates and is designed to service everything from 20 litre jugs to 9,000 litre tanks.

(photo courtesy of the Government of Yukon)

"The water is available to local year-round and seasonal residents of the area. Continuous water quality monitoring enables us to make any adjustments as required to provide safe, clean water," said Wes Wirth, Operations & Programs, Community Services, Government of Yukon. This $3.2 million project has been supported by funding through the Provincial-Territorial Base Fund under the Building Canada Plan and by the Government of Yukon.

Looking Forward

In Budget 2011 and Canada's Economic Action Plan 2012, the Government of Canada committed to working with provinces, territories, the Federation of Canadian Municipalities and other stakeholders to develop a long-term plan for public infrastructure that extends beyond the expiry of the Building Canada Plan in 2014. In November 2011, the Minister of Transport, Infrastructure and Communities launched an engagement process for the development of the new plan. The continued need for supporting the economic and social development of Canada's small and rural communities through infrastructure improvement will be considered in this context.

For additional information about the Government of Canada's Engagement Process for the development of a Long-Term Infrastructure Plan, visit:
http://www.infrastructure.gc.ca.

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